Response

Are you responding on behalf of an organisation, or as an individual? Organisation
The full name of the organisation you are responding on behalf of (f relevant) Fonterra Co-operative Group Limited
Will you be a climate-reporting entity after the definition is changed through the Financial Markets Amendment Bill? Yes
Which of the following best describes your organisation? Listed issuer
Responding to this survey as: a preparer of climate-related disclosures
9. Do you agree with the proposed amendments to NZ CS 1 to permit exclusion of some financial activities?
10. Why or why not? Fonterra does not expect the proposed amendment to affect our GHG emissions exclusions. We do not have a specific view on the proposal and recognise that it is likely to be more relevant to entities in the financial sector.
11. Do you agree that the proposed list of permitted exclusions (derivatives; insurance and reinsurance underwriting activities; capital market issuance activities) appropriately captures investment-related emissions that are not 'financed emissions'?
12. If not, what should be added or removed, and why? [see Exposure draft – Appendix B, paragraphs B6 and B9] Fonterra does not expect the proposed amendment to affect our GHG emissions exclusions. We do not have a specific view on the proposal and recognise that it is likely to be more relevant to entities in the financial sector.
13. Is the proposed 'may exclude' drafting clear and operable for your entity given the measurement standard you use (e.g., GHG Protocol Scope 3 Standard, ISO 14064-1, PCAF Standards)? [see Exposure draft – Appendix B, paragraph B9]
14. If not, what specific wording changes would improve it? Fonterra does not expect the proposed amendment to affect our GHG emissions exclusions. We do not have a specific view on the proposal and recognise that it is likely to be more relevant to entities in the financial sector.
15. The ISSB added additional disclosures (IFRS S2 paragraphs 29B–29C) when an entity applies the IFRS S2 paragraph 29A relief. Do you agree that we should not add these additional disclosures into NZ CS 1, given NZ CS 1 already requires disclosure of exclusions under paragraph 24(d)?

16.	If not, what additional disclosure(s) would you consider useful for primary users (and why)? Fonterra does not expect the proposed amendment to affect our GHG emissions exclusions. We do not have a specific view on the proposal and recognise that it is likely to be more relevant to entities in the financial sector.
17.	Do you agree with the proposed inclusion of content from our existing staff guidance *Excluding GHG emissions sources — Considerations for preparers*, as authoritative (mandatory) application material within NZ CS 1? [see Exposure Draft – Appendix B, paragraphs B1 to B8] Yes
18.	If not, why not, and what would you suggest should be included or deleted? Fonterra agrees with the proposed inclusion of the XRB staff guidance 'Excluding GHG emissions sources — Considerations for preparers', material within NZ CS 1. We support the XRB's view that including this information is likely to provide greater clarity and consistency in applying exclusions, reducing uncertainty in practice. We see that the inclusion of this material assists to support the principles of fair presentation in NZ CS 3.
19.	Do you agree with the proposed mandatory date of 1 January 2027, with early adoption permitted?
20.	If not, what date would you suggest and why? Fonterra recognises the XRB's rationale for the application date of 1 January 2027. Given we have not responded to the amendments on GHG emissions associated with excluded financial activities, we have chosen not to provide comment on the timing of the changes.
21.	Do you agree with our assessment of the benefits and costs of the proposed amendments to NZ CS 1 including the impacts on primary users and climate reporting entities? Yes
22.	Why or why not? In your response, please include any examples that illustrate the practical effects, such as costs or impacts on the usefulness or comparability of the proposed amendments. Fonterra agrees with the benefits identified by the XRB in respect of the incorporation of existing staff guidance into NZ CS 1. We agree that the proposal provides clarity and consistency for preparers of Climate Statements and their primary users. Given we have not responded to the amendments on GHG emissions associated with excluded financial activities, we have not provided comments on the costs and benefits that have been identified in respect of these changes.
23.	Do you have any other feedback on the ED proposals? We have no other feedback on the consultation document.